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Dated: December 11, 2003 Signature: *Michael J. Scherer*

(Michael J. Scherer)

Docket No.: J2167.0090/P090
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Louis Riehl, et al.

Application No.: 09/413,971

Confirmation No.: 2659

Filed: October 7, 1999

Art Unit: 3627

For: SYSTEM AND METHOD FOR BACK
OFFICE PROCESSING OF BANKING
TRANSACTIONS USING ELECTRONIC
FILES

Examiner: C. Buchanan

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APPELLANT'S BRIEF

MS Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

This brief is in furtherance of the Notice of Appeal, filed in this case on
September 11, 2003.

The fees required under § 1.17(f) and any required petition for extension of time
for filing this brief and fees therefor, are dealt with in the accompanying TRANSMITTAL OF
APPEAL BRIEF.

This brief is transmitted in triplicate.

This brief contains items under the following headings as required by 37 C.F.R.
§ 1.192 and M.P.E.P. § 1206:

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GROUP 3600

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GROUP 3600

I. REAL PARTY IN INTEREST

The real party in interest for this appeal is:

J.P. Morgan Chase Manhattan Bank.

II. RELATED APPEALS AND INTERFERENCES

There are no other appeals or interferences which will directly affect or be directly affected by or have a bearing on the Board's decision in this appeal.

III. STATUS OF CLAIMS

A. Total Number of Claims in Application

There are 45 claims pending in application.

B. Current Status of Claims

1. Claims canceled: 12, 28 and 45.
2. Claims withdrawn from consideration but not canceled: None.
3. Claims pending: 1-11, 13-27, 29-44, and 46-48.
4. Claims allowed: None.
5. Claims rejected: 1-11, 13-27, 29-44, and 46-48.

C. Claims On Appeal

The claims on appeal are claims 1-11, 13-27, 29-44, and 46-48.

IV. STATUS OF AMENDMENTS

Applicants filed an Amendment After Final Rejection on August 11, 2003. The Examiner responded to the Amendment After Final Rejection in an Advisory Action mailed September 5, 2003. In the Advisory Action, the Examiner indicated that Applicants' proposed amendments to claim 1 would not be entered.

In a telephone conversation of December 10, 2003, the Examiner agreed to consider Applicants' proposed amendments for purposes of appeal, which Applicants acknowledge with gratitude. Accordingly, the claims enclosed herein as Appendix A incorporate proposed amendments to claim s 1, 37, 41 and 46-47.

Thus, concurrently with submitting this Appeal Brief, Applicants submit an Amendment After Final Rejection, which presents Applicants' claims in better form for consideration on appeal. 37 C.F.R. § 1.116. No new matter has been added thereby.

V. SUMMARY OF INVENTION

The present invention relates to back office processing of bank transactions. More particularly, it claims a system and method requiring at least the following: (1) obtaining first transaction data, reflecting transactions conducted by a bank teller; (2) forwarding paper documents associated with the transactions to a back office location; (3) obtaining second transaction data, reflecting information contained on the paper documents; and (4) for a common financial transaction, linking and processing the first transaction data and second transaction data.

As illustrated in the specification, at a bank branch location, information reflecting the actions of a bank teller regarding a banking transaction is electronically captured. (See, e.g., page 4, lines 2-4; page 7 lines 18-22.) There are about 250 types of transactions that a teller can process. (Page 7, line 29 – page 8, line 2.) About 130 of these transactions are of interest to the back office. (Page 8, lines 2-3.) The term “back office” is well-known to those of skill in the art, and relates to a facility that “performs the processing for the bank, e.g., posting of transactions, clearing of checks, [and] statement generation.” (Page 1, line 23 – page 2, line 3.) The information captured relating to the teller’s actions is referred to as “first transaction data.” Further, paper documents reflecting the transaction are forwarded to a back office location. (See, e.g., page 4, lines 10-12; page 16, lines 18-20.) Imaging techniques are performed to electronically capture information contained on the documents. (See, e.g., page 4, lines 26-28; page 16, lines 26-28.) The information so captured is referred to as “second transaction data.” The first transaction data and second transaction data are linked and processing is performed thereon. (See, e.g., page 4, line 28 – page 5, line 1; page 16, lines 18-24; page 17, lines 13-24.) In contrast to the prior art, the present invention reduces error in the character recognition process, the amount of manual key entry and expense, and simplifies the teller’s job owing to less paperwork. (Page 5, lines 6-18; page 17, lines 13-21.)

VI. ISSUES

Are claims 1-11, 13-27, 29-44, and 46-48 patentable under 35 U.S.C. § 103(a) over Funk, U.S. Patent No. 5,832,463?

VII. GROUPING OF CLAIMS

For purposes of this appeal brief only, and without conceding the teachings of any prior art reference, the claims have been grouped as indicated below:

Group Claim(s)

I. 1-11, 13-27, 29-44, and 46-48.

VIII. ARGUMENTS

In the final Office Action dated March 11, 2003, the Examiner finally rejected each of the pending claims under 35 U.S.C. § 103(a) over Funk, U.S. Patent No. 5,832,463.

Applicants respectfully submit that these rejections are in error.

As indicated above, each independent claim of the present invention (claims 1, 27 and 40) requires at least the following limitations:

- (1) Electronically capturing first transaction data reflecting transactions conducted by a teller;
- (2) forwarding paper documents associated with the transactions to a back office location;
- (3) generating second transaction data reflecting information contained on the paper documents; and
- (4) linking and processing the first transaction data and second transaction data with respect to a common financial transaction.

Funk does not render the present invention unpatentable for the following two reasons, which are discussed in detail below:

1. There is no prima facie case made out under 35 U.S.C. § 103, because Funk completely lacks limitation (4) of the present invention (i.e., linking and processing the first transaction data and second transaction data) because the prior art disclosed in Funk never generates the first transaction data and Funk never generates the second transaction data.

2. Considered as a whole, Funk plainly teaches away from limitations (2) and (3) of the present invention (i.e., respectively forwarding paper documents associated with a transaction to the back office, and generating second transaction data therefrom).

Each of these reasons alone is independent grounds for reversal of the Examiner and allowance of claims 1-11, 13-27, 29-44, and 46-48.

1. The Examiner Has Not Made Out a Prima Facie Case of Obviousness, Because Funk Lacks Limitation (4) of the Present Invention.

To establish a prima facie case of obviousness under 35 U.S.C. § 103, “the prior art reference (or references when combined) must teach or suggest all the claim limitations.” M.P.E.P. § 2143. The Examiner fails to show that the prior art reference cited, Funk, teaches or suggests limitation (4) of the present invention. The Examiner has failed to make out a prima facie case of obviousness.

Funk is directed to paperless checking. Specifically, as its title suggests, Funk teaches an “Automated System and Method for Checkless Check Transaction.” The Office Action states that Funk discloses that it is common practice to perform limitations (2) and (3), i.e., (2) forwarding paper documents to a back office and (3) generating second transaction data from information on these forwarded documents. Funk discloses this in its “Background of the Invention.” Funk considers these practices prior art. Then, Funk cautions that one should not perform (2) and (3). In fact, as discussed in more detail below, the invention described by Funk is dedicated to rendering the prior art teachings of (2) and (3) “obsolete”, teaching away from the present invention. (Column 3, lines 61-65.)

Importantly, the prior art disclosed in Funk never generates the first transaction data and the invention of Funk never generates the second transaction data. That is, neither the prior art discussed in Funk nor the invention of Funk teach or suggest linking the two types of data and performing processing on them, as required by limitation (4) of each independent claim of the present invention. In short, nothing in Funk teaches or suggests limitation (4).

To make out a prima facie case under 35 U.S.C. § 103, the prior art reference (or references when combined) must teach or suggest all the claim limitations. Funk cannot possibly teach or suggest limitation (4), i.e., linking and processing the first transaction data and second transaction data with respect to a common financial transaction. For the above reason, the Examiner has failed to make out a prima facie case of obviousness. For the above reasons, on this ground alone the rejections of claims 1, 27 and 40 under 35 U.S.C. § 103 must be reversed.

2. The Funk Reference As a Whole Teaches Away From Limitations (2) and (3), and Selectively Citing Portions of Funk is Erroneous

It is reversible error for the Examiner to fail to consider a prior art reference as a whole in issuing a rejection under 35 U.S.C. § 103. The M.P.E.P. explains that “[a] prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention.” W.L. Gore & Associates, Inc. v. Garlock, Inc., 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984) (emphasis in original). Selectively citing only one portion of a reference, as is the case here, is erroneous and must be reversed.

The invention of Funk aims to eliminate maintaining and handling paper instruments, stating:

At the time of presentment, all the relevant information associated with the check is in electronic or digital form, therefore the need for maintaining and handling the paper check becomes obsolete. (Column 3, lines 61-65, emphasis added.)

Funk teaches a system that “eliminates . . . the need to handle and pass on the paper checks themselves” (column 2, lines 34-35, emphasis added). Consequently, Funk does not show or suggest – and indeed denigrates– passing on transaction documents to a back office. There is no back office in Funk, because a back office is contrary to Funk’s teachings.

In contrast, the present invention does not teach that processing paper instruments or a back office are obsolete. Instead, in each independent claim of the present invention, limitations (2) and (3) explicitly require what Funk expressly teaches one skilled in the art not to do: forwarding paper documents to a back office and generating information from the documents forwarded. Funk does not teach the limitations of the present invention, and could not possibly teach the combination of the present invention. In fact, it teaches away from the present invention.

On top of this, the limited portion of Funk cited against Applicant’s claimed invention is merely Funk’s admitted and deprecated prior art. The remainder of the “whole” of the Funk reference is devoted to overcoming the insufficiencies of the prior art portion cited against Applicants. This can hardly qualify as considering a reference “as a whole.” The Examiner ignores the actual teachings of Funk, in favor of the deprecated prior art of Funk.

Accordingly, considered as a whole, Funk teaches away from limitations (2) and (3) of the present invention. Where, as here, the Examiner selectively cites a deprecated portion of a prior art reference, this disobeys Federal Circuit authority on 35 U.S.C. § 103 requiring that an invention and the references be considered as a whole.

For the reasons given above, on this ground alone the rejections of claims 1, 27 and 40 under 35 U.S.C. § 103 must be reversed.

* * *

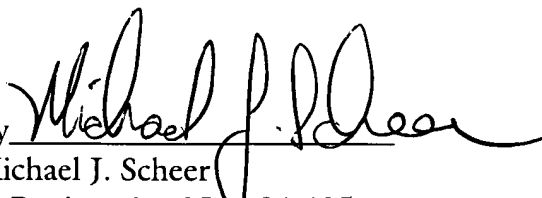
As shown above, each of independent claims 1, 27 and 40 is patentable over Funk on two grounds, each of which alone is sufficient to reverse the rejections. Claims 2-11 and 13-26, 29-39, and 41-48 depend from claims 1, 27 and 40 respectively. The argument with respect to claims 1, 27 and 40 applies equally to dependent claims 1-11, 13-26, 29-39, and 41-48. Reversal of the rejections of these dependent claims is thus required as well. "If an independent claim is nonobvious under 35 U.S.C. 103, then any claim depending therefrom is nonobvious." M.P.E.P. § 2143.03, quoting In re Fine, 837 F.2d 1071 (Fed. Cir. 1988).

IX. CLAIMS INVOLVED IN THE APPEAL

A copy of the claims involved in the present appeal is attached hereto as Appendix A. As indicated above, the claims in Appendix A do include the amendments filed by Applicants on December 11, 2003.

Dated: December 11, 2003

Respectfully submitted,

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APPENDIX A

Claims Involved in the Appeal of Application Serial No. 09/413,971

1. (Currently amended) A method of processing banking transactions comprising the steps of:

- (a) electronically capturing first transaction data reflecting banking transactions conducted by a bank teller;
- (b) storing the first transaction data in a transaction file;
- (c) reading the first transaction data from the transaction file;
- (d) forwarding paper documents associated with the ~~financial~~ banking transactions conducted by the teller to a back office location;
- (e) generating second transaction data reflecting information contained on the paper documents; ~~and~~
- (f) linking the first and second transaction data with respect to a common financial transaction; and
- (g) processing the first and second transaction data to complete the banking transactions.

2. (Original) The method according to claim 1, wherein the bank teller is located at a bank branch location, the method further comprising the step of transmitting the transaction file to a different location.

3. (Original) The method according to claim 1, wherein there are plurality of bank branch locations, the method further comprising the step of:

conducting steps (a) and (b) at each of the bank branch locations, wherein there is a separate transaction file for each bank branch location.

4.(Original) The method according to claim 3, further comprising the step of consolidating the transaction data from the transaction files from each of the bank branch locations into a consolidated transaction file, wherein the reading of step (c) is performed on the consolidated transaction file.

5. (Original) The method according to claim 4, wherein the consolidation step occurs several times during a business day.

6. (Original) The method according to claim 5, further comprising the step of electronically transmitting the transaction files from each of the bank branch locations to a central location, wherein the step of consolidation occurs at the central location.

7. (Previously Presented) The method according to claim 6, wherein steps (c) and (g) occur at the central location.

8. (Previously Presented) The method according to claim 6 further comprising the step of electronically transmitting the consolidated file from the central location to a different location, wherein steps (c) and (g) occur at the different location.

9. (Original) The method according to claim 8 wherein the central location is a retail bank central location and wherein the different location is a back office processing location.

10. (Original) The method according to claim 4, wherein the consolidating step further comprises the step of consolidating less than all of the transaction data from each of the transaction files into the consolidated file.

11. (Original) The method according to claim 1 wherein the transaction data in the transaction file reflects less than all of the banking transactions conducted by the teller.

12. (Cancelled)

13. (Previously Presented) The method as set forth in claim 1, further comprising the step of:

updating the second transaction data with at least a portion of the first transaction data.

14. (Previously Presented) The method as set forth in claim 13, wherein the portion of the first transaction data is a dollar amount associated with the financial transaction.

15. (Previously Presented) The method as set forth in claim 1, wherein the step of generating the second transaction data comprises the step of imaging the paper documents.

16. (Previously Presented) The method as set forth in claim 1, wherein the step of generating the second transaction data comprises the step of reading Magnetic Ink Character Recognition (MICR) data contained on the paper documents.

17. (Previously Presented) The method as set forth in claim 1, further comprising the step of inserting a type identifier into the first transaction data, the type identifier indicating a type of transaction contained in the first transaction data.

18. (Original) The method as set forth in claim 1, wherein there are paper documents associated with at least some of the financial transactions performed by the teller, the method further comprising the step of grouping the paper documents according to a type of the transaction corresponding to the paper document.

19. (Previously Presented) The method as set forth in claim 1, further comprising the step of maintaining, at a back office location, a back office aggregate dollar value of the financial transactions contained in the first transaction data.

20. (Original) The method as set forth in claim 19, further comprising the steps of:

generating a teller aggregate dollar value of financial transactions conducted by the teller;

forwarding the teller aggregate dollar value to the back office location; and

comparing the teller aggregate dollar value with the back office aggregate dollar value.

21. (Previously Presented) The method as set forth in claim 1, wherein the step of electronically capturing the first transaction data further comprises the step of reading Magnetic Ink Character Recognition (MICR) data contained on paper documents.

22. (Previously Presented) The method as set forth in claim 1, wherein the step of electronically capturing the first transaction data further comprises the step of entering the amount of a transaction into an electronic file.

23. (Previously Presented) The method as set forth in claim 1, wherein there are a plurality of tellers, the step of electronically capturing the first transaction data further comprises the step of capturing the first transaction data with respect to transactions conducted by the plurality of tellers.

24. (Original) The method as set forth in claim 1, wherein the processing of step (d) includes account reconciliation processing.

25. (Previously Presented) The method as set forth in claim 1, wherein the processing of step (g) includes posting of the financial transactions.

26. (Previously Presented) The method as set forth in claim 1, wherein the processing of step (g) includes proof of deposit processing.

27. (Previously Presented) A method for processing banking transactions comprising the steps of:

- electronically capturing first transaction data reflecting transactions processed by a teller;

- storing the first transaction data in an electronic transaction file;

- transmitting the electronic transaction file to a back office processing location;

- forwarding paper documents associated with the transactions conducted by the teller to the back office;

- reading the first transaction data from the electronic transaction file;

- generating second transaction data reflecting information contained on the paper documents;

- linking the first and second transaction data with respect to a common transaction; and

- performing financial processing using the first and second transaction data.

28. (Cancelled)

29. (Previously Presented) The method as set forth in claim 27, further comprising the step of:

updating the second transaction data with at least a portion of the first transaction data.

30. (Original) The method as set forth in claim 29, wherein the portion of the first transaction data is a dollar amount associated with the transaction.

31. (Previously Presented) The method as set forth in claim 27, wherein the step of generating the second transaction data comprises the step of imaging the paper documents.

32. (Previously Presented) The method as set forth in claim 27, wherein the step of generating the second transaction data comprises the step of reading Magnetic Ink Character Recognition data contained on the paper documents.

33. (Previously Presented) The method as set forth in claim 27, further comprising the step of inserting a type identifier into the first transaction data, the type identifier indicating a type of transaction contained in the first transaction data.

34. (Previously Presented) The method as set forth in claim 27, further comprising the step of grouping the paper documents according to a type of the transaction corresponding to the paper document.

35. (Original) The method as set forth in claim 27, further comprising the step of maintaining, at the back office, a back office aggregate dollar value of financial transactions contained in the transaction data.

36. (Original) The method as set forth in claim 35, further comprising the steps of:

generating a teller aggregate dollar value of financial transactions conducted by the teller;

forwarding the teller aggregate dollar value to the back office; and

comparing the teller aggregate dollar value with the back office aggregate dollar value.

37. (Currently amended) The method as set forth in claim 27, wherein the step of electronically capturing the first transaction data further comprises the step of reading ~~the~~ Magnetic Ink Character Recognition data contained on the paper documents.

38. (Previously Presented) The method as set forth in claim 27, wherein the step of electronically capturing the first transaction data further comprises the step of entering the amount of a transaction into an electronic file.

39. (Previously Presented) The method as set forth in claim 27, wherein there are a plurality of tellers, the step of electronically capturing the first transaction

data further comprises the step of capturing the first transaction data with respect to transactions conducted by the plurality of tellers.

40. (Previously Presented) A system for processing banking transactions conducted by a teller, at least some of the transactions having paper documents associated therewith, the system comprising:

- a teller workstation, the teller workstation electronically capturing first transaction data reflecting transactions processed by a teller;

- a memory coupled to the teller workstation, the memory storing the first transaction data in an electronic transaction file; and

- a remote processing facility coupled to the memory, the remote processing facility:

- receiving the paper documents,

- generating second transaction data reflecting information contained on the paper documents,

- reading the first transaction data from the electronic transaction file,

- linking the first and second transaction data with respect to a common financial transaction, and

- performing financial processing using the first and second transaction data.

41. (Currently amended) The system according to claim 40, further comprising a plurality of teller workstations located in at least one bank branch location.

42. (Original) The system according to claim 41, wherein the plurality of teller workstations are located at a plurality of bank branch locations, the system further comprising:

a plurality of memories, at least one memory coupled to the teller workstations located at a bank branch location, the remote processing facility being coupled to each of the memories.

43. (Original) The system according to claim 42, wherein the remote processing facility is coupled to the memories through a telecommunications line.

44. (Original) The system according to claim 42, wherein the remote processing facility is coupled to the memories through a common memory.

45. (Cancelled)

46. (Currently amended) The system as set forth in claim 40, wherein the ~~back office workstation~~ remote processing facility includes a system for imaging the paper documents.

47. (Currently amended) The system as set forth in claim 46, wherein the ~~back office workstation~~ remote processing facility includes a Magnetic Ink Character Recognition (MICR) reader.

48. (Original) The system as set forth in claim 40, wherein the teller workstation includes a Magnetic Ink Character Recognition (MICR) reader.